



Department of Justice

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ARKANSAS MAN CHARGED IN KICKBACK SCHEME

WASHINGTON, D.C. -- An Arkansas man was charged today with wire fraud in connection with a kickback scheme used to defraud a Troy, Michigan audio-visual company, the Department of Justice announced.

David L. Whitt of Little Rock, Arkansas, was charged today in U.S. District Court in Detroit with wire fraud. The charge resulted from Whitt's alleged participation in a scheme in which an executive of a Troy audio-visual company solicited and received kickbacks from vendors seeking to do business with the Troy audio-visual company in exchange for the executive's support in obtaining contracts with the company. Through the scheme, the Troy company executive allegedly obtained or sought to obtain more than \$2.5 million in kickbacks. According to the charge, between June 5, 2000 and July 6, 2000, Whitt placed, or caused to be placed, one or more telephone calls to facilitate and to ensure the wiring of \$18,000 from a vendor located in the Eastern District of Michigan to Pennsylvania and ultimately to Arkansas.

"This type of scheme deprives companies of their right to the honest services of their employees and to fair and competitive prices," said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program.

The wire fraud charge, a violation of 18 U.S.C. §§ 1343 and 1346, carries a maximum penalty of five years in jail, three years of supervised release, and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss

suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The charge announced today resulted from an ongoing federal antitrust investigation of anticompetitive conduct in the video duplicating and replicating industries. The investigation is being conducted by the Antitrust Division's Cleveland Field Office with the assistance of the Detroit office of the Federal Bureau of Investigation.

Anyone with information concerning bribery, fraud or money laundering in the retail video duplicating or replicating industry should contact the Cleveland Field Office of the Antitrust Division at (216) 522-4070 or the Detroit office of the FBI at (313) 237-4169.

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